



ENERGY ASSURANCE DAILY

Monday Evening, August 15, 2016

Electricity

Thunderstorms Knock Out Power to Over 110,000 Customers in New York August 13–15

Strong thunderstorms knocked out power to at least 110,385 customers in New York on Saturday night into Sunday. A combination of lightning and strong winds damaged electric poles and wires, according to the utilities. As of 3:30 p.m. EDT Monday, 1,892 customers remained without power. New York State Electric and Gas, which reported 36,000 customer outages, expects 90 percent restoration by 7 p.m. EDT Monday. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

New York Customer Power Outages			
August 13–15, 2016			
Electric Utility	State	Affected	Latest Reported
National Grid	NY	50,178	104
New York State Electric and Gas	NY	36,000	1,441
Central Hudson Gas & Electric	NY	20,000	269
PSE&G	NY	4,207	78
TOTAL*		110,385	1,892

*Total outages represent only electric utilities listed in this table.

Sources:

<https://www.nationalgridus.com/Upstate-NY-Home/Storms-Outages/Outage-Map>

<https://www.facebook.com/NYSEandG>

<http://www.nyseg.com/OurCompany/News/2016/08142016Storm.html>

<http://stormcentral.cenhud.com/default.aspx>

<https://www.psegliny.com/c.cfm/Outage>

<http://www.dailyfreeman.com/general-news/20160814/nearly-600-remain-without-power-after-thunderstorms-cut-service-to-20000-central-hudson-customers>

Strong Storms, Flooding Knock Out Power to Nearly 50,000 Customers in Louisiana August 14–15

Heavy rains and historic flooding knocked out power to at least 26,000 Entergy Louisiana and 23,454 Dixie Electric Membership Corporation customers in Southeast Louisiana on Sunday night into Monday. Entergy Louisiana crews expect to restore power to all customers who can accept it by Monday night, but floodwaters are continuing to restrict restoration efforts to thousands of homes and businesses in the hardest hit areas of south Louisiana. As of 3:30 p.m. EDT Monday, 14,231 Entergy Louisiana and 21,675 Dixie Electric Membership Corporation customers remained without power.

<http://www.etrviewoutage.com/external/la.aspx>

<http://www.entergynewsroom.com/latest-news/entergy-crews-continue-restoration-work-but-efforts-hampered-by-floodwaters/>

<https://www.facebook.com/DEMCOLouisiana>

<http://demco.maps.sienatech.com/>

<http://www.wbrz.com/news/nearly-14-000-without-power-as-high-water-threatens-equipment/>

Pacific Power Reports Over 17,000 Customers Briefly without Power Due to Transmission Interruption in Oregon August 12

Pacific Power reported approximately 17,400 customers were without power for less than one hour in the Lebanon, Sweet Home, Brownsville, and Scio, Oregon areas on Friday afternoon. A Linn County Sheriff's Office spokesman said it appeared that a transformer blew in the Bates Bridge area between Lebanon and Sweet Home. Pacific Power listed a "transmission interruption" as the cause of the outage.

<https://www.facebook.com/pacificpower>

http://democratherald.com/news/local/power-outage-briefly-hits-lebanon-sweet-home-brownsville-scio-areas/article_76de5e0a-4cf8-50fa-ab4e-3d02a71571bd.html

Storms Knock Out Power to Over 14,000 Ameren Missouri Customers August 14–15

Overnight storms knocked out power to at least 14,758 Ameren customers in the St. Louis, Missouri metropolitan area Sunday into Monday. Ameren's Rock Hill substation was out of service due to a weather-related problem. The utility was investigating the cause and working to restore power. As of 3:30 p.m. EDT Monday, 1,823 customers remained without power.

<http://apps.ameren.com/outage/outagemap.aspx?state=MO>

http://www.stltoday.com/news/local/metro/rain-intensifies-across-st-louis-metro-power-outages-plague-thousands/article_4dce828c-ffc0-583c-81ad-82425b17baf8.html

Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Restarts August 13, Ramps Up to Full Power by August 14

The unit shut from full power on August 11 due to the loss of two circulating water pumps.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160812en.html>

SCE's 820 MW Big Creek Hydro Unit in California Reduced by August 14

The unit entered an unplanned curtailment of 390 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201608141515.html>

Solar Partners VIII's 133 MW Ivanpah Solar Unit 3 in California Shut by August 14

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201608141515.html>

AES's 496 MW Redondo Gas-fired Unit 8 in California Reduced by August 14

The unit entered an unplanned curtailment of 246 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201608141515.html>

Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Returns to Service by August 12

The unit returned from an unplanned curtailment of 125 MW that began on August 11.

<http://content.caiso.com/unitstatus/data/unitstatus201608121515.html>

Con Edison Reports Weekend Day Electrical Demand Record 11,855 MW in New York August 13

Consolidated Edison (Con Edison) reported peak demand for power reached an all-time weekend high at 4 p.m. EDT on Saturday when it provided 11,855 MW to its customers in New York City and Westchester County. The previous record for a weekend day was 11,533 MWs set on July 23, 2011. The heavy demand was due to a heat wave hitting the area, according to Con Edison.

<http://www.coned.com/newsroom/news/pr20160813-3.asp>

Petroleum

U.S. Coast Guard Closes Bayou Sorrel Waterway in Louisiana Due to Flooding August 15

The U.S. Coast Guard on Monday closed the Bayou Sorrel Waterway from mile marker 37.6 to mile marker 45 due to significant flooding near Port Allen, Louisiana. The Port Allen and Bayou Sorrel Locks are closed to all vessels until further notice. No vessel queue was reported.

<http://www.uscgnews.com/go/doc/4007/2874994/>

ExxonMobil, Citgo, Alon, Motiva Report No Impact to Refinery Operations Due to Flooding in Louisiana August 14, 15

ExxonMobil Corp said on Sunday operations at its 502,500 b/d Baton Rouge refinery were not affected by heavy rains and flooding in the southern part of the state. Citgo also reported normal operations at its 427,800 b/d Lake Charles refinery and Alon said its 80,000 b/d Krotz Springs refinery was running at planned rates. Motiva reported operations were unaffected at both its 237,700 b/d Norco and 235,000 b/d Convent refineries. Output from the Convent refinery has been reduced by the outage of the 45,000 b/d heavy oil hydrocracker, called the H-Oil unit, in a fire on Thursday. Sources told Reuters an initial damage assessment projects the unit will be shut one to four months for repairs.

Reuters, 18:26 August 14, 2016

Reuters, 10:20 August 15, 2016

Reuters, 12:22 August 15, 2016

Reuters, 12:31 August 15, 2016

Reuters, 12:52 August 15, 2016

Sunoco Reports near Normal Operations at Its Nederland, Texas Terminal August 14 after Fire August 12

Operations at Sunoco Logistics' Nederland, Texas, crude oil terminal were near normal on Sunday as authorities investigated a Friday night flash fire that injured seven contract workers, a company spokesman said. The southeast Texas terminal on the Gulf Coast that can store up to 24 million barrels of crude oil and is connected to a 6,000-mile pipeline network stretching through the South and Midwest. The U.S. Occupational Safety and Health Administration has begun an investigation into the fire that broke out as the workers were preparing to connect pipe to new crude storage tanks at the Nederland terminal. Initially, the workers were thought to have been welding pipe when the flash fire erupted, but a Sunoco spokesperson said it was unclear if they were actually welding pipe or preparing to weld pipe. The workers were not engaged in connecting pipe that was carrying crude oil, the spokesperson added. Natural gas liquids and refined products are also stored at the Nederland terminal, which has marine off-loading facilities.

Reuters, 17:48 August 14, 2016

Update: PES Plans FCCU Restart at Its 335,000 b/d Philadelphia, Pennsylvania Refinery by August 15 – Source

Philadelphia Energy Solutions (PES) plans to restart the 85,000 b/d fluid catalytic cracking unit (FCCU) in the Girard Point section of its Philadelphia refinery complex by Monday, according to a source familiar with the plant's operations. The FCCU was shut on Friday after a blower tripped.

Reuters, 15:02 August 14, 2016

Fire Extinguished at Phillips 66's 260,000 b/d Lake Charles, Louisiana Refinery August 15 – Official

A fire that started in a processing unit on Monday at Phillips 66's Lake Charles refinery in Louisiana, was extinguished with no injuries or impacts to the surrounding community reported, an emergency management official said. The fire started when a heater tube failed as a hydrogen unit was being shut down at the plant, according to sources familiar with operations. While it did not specify which unit the fire started in, it added the refinery is continuing to operate. The cause of the fire is under investigation. The Lake Charles refinery primarily processes heavy, sour crudes at the facility, as well as some light crude. The refinery relies on a mix of U.S. Gulf Coast streams as well as foreign crude, including barrels from Colombia, Mexico, Iraq, and Saudi Arabia, according to the U.S. Energy Information Administration. Cash crude and products prices remain unchanged after news of the fire, dealers and traders said. According to a Genscape report, all monitored units remained online by early afternoon.

Reuters, 16:13 August 15, 2016

ExxonMobil Reports Flaring at Its 344,600 b/d Beaumont, Texas Refinery August 12

Exxon Mobil Corp reported flaring at its Beaumont, Texas refinery, according to a community information line.

Reuters, 18:58 August 12, 2016

Shell Reports Flaring at Its 156,400 b/d Martinez, California Refinery August 13

Royal Dutch Shell reported flaring at its Martinez, California refinery on August 13.

Reuters, 7:16 August 15, 2016

Oil Drillers Add 15 Rigs Increasing Total to 396 August 12 – Baker Hughes

U.S. drillers last week added oil rigs for a seventh consecutive week, the longest recovery streak in the rig count in over two years. Drillers also added the most oil rigs since December with 15 rigs activated in the week to August 12, bringing the total rig count up to 396, compared with 672 a year ago, Baker Hughes said. That is the longest streak of rig additions since April 2014 when U.S. oil futures averaged over \$100 a barrel. Since July 1, drillers have added 66 oil rigs. In 2015, the total rig count averaged 978.

http://www.rigzone.com/news/oil_gas/a/146155/US_Oil_Drillers_Add_Most_Rigs_Since_Dec_In_longest_Streak_In_2_years

CSB Issues Safety Alert Stemming from Tesoro's 120,000 b/d Anacortes, Washington Refinery Blast in 2010

The U.S. Chemical Safety Board (CSB) on Thursday issued new safety recommendations aimed at preventing accidents similar to the 2010 explosion that killed seven workers at Tesoro's Anacortes refinery. The CSB's investigation into the failure of a forty-year-old heat exchanger at the refinery determined that the fatal explosion and fire was caused by a damage mechanism known as high temperature hydrogen attack, or HTHA, which severely cracked and weakened the carbon steel heat exchanger over time, leading to a rupture. The CSB's report released in May 2014 concluded that the standard industry uses for determining vulnerability of equipment to HTHA is inadequate. To address its findings, the CSB made recommendations intended to prevent HTHA to the American Petroleum Institute (API). API, which sets industry standards for preventing incidents such as the one at Tesoro, released new guidelines in February in response to the CBS investigation, but CBS in July found that there were too many deficiencies. Tesoro said in a statement Friday that it would continue to review and evaluate the recommendations and guidance in order to have high safety standards. Washington state regulators in 2010 fined the company nearly \$2.4 million for 39 willful violations and five serious violations of safety and health regulations. The Department of Labor and Industries said its investigation determined the incident was preventable. It says Tesoro did not properly inspect or test equipment at the refinery. In January 2011, Tesoro appealed to a state insurance board. Tesoro has disputed the state's characterization of its safety procedures and inspections, and contends the conclusions of the state's investigation are mistaken.

<http://www.csb.gov/csb-issues-safety-alert-stemming-from-fatal-tesoro-anacortes-investigation/>

Reuters, 15:31, August 15, 2016

Natural Gas

ANR Pipeline Reduces Capacity by 140 MMcf/d on Its SEML in Indiana, Ohio August 12

ANR Pipeline on Friday reported due to planned and unplanned compressor maintenance at the Portland and Defiance Compressor Stations located along the Southeast Central (SEML) Fuel Segment (ME-3), capacity was restricted by 140 MMcf/d, leaving 1,040 MMcf/d available until August 31.

<http://anrebb.transcanada.com/>

Algonquin Gas Transmission Declares Force Majeure Due to Outage at Its Southeast Compressor Station in New York August 14

Algonquin Gas Transmission (AGT) on Sunday declared force majeure due to an unplanned outage at its Southeast Compressor Station in Putnam County, New York. AGT said repair efforts will commence as soon as possible but the estimated time of restoration was unclear. As a result of this unplanned outage, AGT has notified shippers that nominations currently scheduled for Gas Day August 15 through the Southeast Compressor Station are being reduced to 690 MMcf/d.

<https://infopost.spectraenergy.com/infopost/AGHome.asp?pipe=AG&mode=1>

http://www.dec.ny.gov/dardata/boss/afs/permits/337300006000013_r3.pdf

Update: Destin Reports Take Away Capacity to MP261JP Increased to 235 MMcf/d August 12

Destin Pipeline Co on Friday said take away capacity was increasing to 235 MMcf/d for alternate offshore transportation service to Williams' MP261JP. Destin said it was continuing to offer offshore transportation service to its MP260 platform from the Okeanos system, VK915 Marlin, and MC127 Horn Mountain for deliveries to Viosca Knoll Gathering system (VKGS) with an estimated take away capacity of 310 MMcf/d. The Destin 24-inch lateral remains isolated from the MP260 platform and transportation service from receipt points on the 24-inch lateral to the Williams MP261JP platform continues with a take away capacity now increasing to 235 MMcf/d, effective August 12.

Reuters, 16:08 August 12, 2016

FERC Approves 516-Mile Sabal Trail Pipeline in Southeast August 12

The Federal Energy Regulatory Commission (FERC) on Friday approved the start of construction, which could begin by Wednesday, on a piece of the 516-mile Sabal Trail natural gas pipeline project, according to local media. The move came after the U.S. Army Corps of Engineers finalized permits allowing the companies building the project to discharge dredged and fill materials into wetlands and other water bodies during construction. The project, joint effort by Spectra Energy, Duke Energy and Florida Power & Light, will carry natural gas from Alabama, through Georgia, into Florida. The permit will require the companies to buy offset credits for so-called “wetland mitigation banks,” which are preserved or restored wetlands that are meant to offset losses incurred from Army Corps projects elsewhere. The pipeline will be divided into five segments on which building will begin simultaneously, a Spectra Energy spokeswoman said.

<http://www.gainesville.com/news/20160812/army-corps-of-engineers-oks-permits-for-sabal-trail-in-florida>

Reuters, 13:31 August 13, 2016

Targa Reports AGC Shut, Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas August 14

Targa reported the acid gas compressor (AGC) unexpectedly shutdown due to no lubrication to the compressor. This routed acid gas to the emergency acid gas flare, F-4. The AGC was restarted and flaring ceased.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=241581>

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas August 12

DCP Midstream reported its Goldsmith plant experienced a power outage and an unexpected shutdown due to thunderstorms, resulting in a flare event. Operations commenced the plant startup procedure, and once all engines are fully online and residue gas lines are clear and pressured up, the flare event will end.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=241556>

Other News

Judge Upholds Oregon Denial of Coal Export Permit August 12

An administrative law judge on Friday found that the Oregon Department of State Lands (DSL) acted within its authority when it rejected the proposal for the Coyote Island Terminal project at the Port of Morrow on the Columbia River because of potential impacts on tribal fishing grounds. A hearing is scheduled in November on appeals related to the environmental questions about the impacts on state water resources, including potential damage to fishing grounds guaranteed to Northwest tribes by treaty. The Port of Morrow and Coyote Island Terminal LLC also have appealed and the Umatilla, Warm Springs, Yakama, and Nez Perce tribes have all intervened. The project was proposed by Ambre Energy and is part of a plan to transport coal mined from the Powder River Basin in Montana and Wyoming through Oregon on its way to Asian markets. The company proposed bringing the coal by train to Boardman, Oregon, where it would be loaded on barges at the Port of Morrow and then sent down the Columbia River to the Port of St. Helens, where it would be transferred to oceangoing ships.

Reuters, 21:31 August 12, 2016

International News

Gas Plus Khalakan Expects Shewashan Oilfield in Kurdistan, Iraq to Hit 10,000 b/d in 2017

Gas Plus Khalakan (GPK) expects total production at the Shewashan oilfield in the Kurdistan Region of Iraq to hit 10,000 barrels per day early next year when the Shewashan-4 field comes on stream. The company revealed Monday that the Shewashan-1 sidetrack well was successfully drilled and recompleted as a horizontal producing well in the Qamchuga formation recently. The well is currently producing approximately 500–700 b/d. Shewashan-2 continues to produce with a current rate of around 4,000 b/d and the production from both wells is sold into the domestic refinery market via existing topside production facilities and tanker trucks. Shewashan-3 has now spudded and will target the productive Cretaceous formations as a vertical producer. The well is anticipated to be completed in the fourth quarter of 2016. The vertical Shewashan-4 well is due to be drilled later this year to accelerate Phase 1 production in the Cretaceous and test the deeper unexplored Jurassic reservoirs.

http://www.rigzone.com/news/oil_gas/a/146172/GPK_Expect_to_Hit_10000_Bopd_at_Shewashan_in_2017

Iraq Starts Natural Gas Processing Plant in Southeast Region August

Iraq started operations at a new natural gas processing plant for oil fields in the southeastern region on Sunday as part of a plan to use gas that was previously flared to generate electricity, the Oil Ministry said in a statement. The plant located in Misan province, on the border with Iran, will process gas associated with crude pumped at the Fakka and Bazargan fields. All Misan fields to be brought on stream in the future will be connected to the plant. OPEC's second largest oil producer after Saudi Arabia, Iraq flares about 70 percent of its gas output, according to the Basrah Gas Company which the nation set up in partnership with Shell and Mitsubishi. Basrah Gas this year also started exporting cargoes of gas condensates and liquefied petroleum gas processed from fields in the Basrah region. Thirteen years after the U.S.-led invasion that toppled Saddam Hussein, the country still suffers from an acute electricity shortage as it lacks power stations and gas supply.

Reuters, 7:40, August 14, 2016

Egypt's Gas Production Expected to Exceed 7.5 Bcf/d by 2020–2021 – Oil Minister

Egypt will increase its production of natural gas to more than 7.5 Bcf/d by 2020-21, said the Oil Minister on Saturday. Once an energy exporter, Egypt has turned into a net importer because of declining oil and gas production and increasing consumption. It is trying to speed up production at recent discoveries to fill its energy gap as soon as possible.

Reuters, 4:55, August 13, 2016

Energy Prices

U.S. Oil and Gas Prices			
August 15, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	45.67	43.01	42.40
NATURAL GAS Henry Hub \$/Million Btu	2.70	2.85	2.92

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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